

ARIZONA **BINGO REVIEW**



Governor Janet Napolitano
Director J. Elliott Hibbs
Internet Address

www.revenue.state.az.us

Email Address
bingo@revenue.state.az.us

Phoenix Office
1600 West Monroe
Phoenix AZ 85007
Phone 602-716-7801
(Fax 602-364-0086)

Bingo Section Administrator
David Manzer
ManzerD@revenue.state.az.us

Revenue Auditor Loraine Mata
MataL@revenue.state.az.us

Administrative Secretary
Lupe Bejarano
BejaranoL@revenue.state.az.us

Tucson Office
400 West Congress
Tucson, AZ 85701
Phone 520-628-6438
(Fax 520-628-6474)

Investigation Supervisor
Antha "Sam" Martin
MartinS@revenue.state.az.us

Investigator Richard Pittman
PittmanR@revenue.state.az.us

Revenue Auditor
Gloria Barnhart
BarnhartG@revenue.state.az.us

WHAT'S IN THIS ISSUE

New Rules Approved.....	Page 1
Licensee Renewals Begin in November	Page 1
Renewal Checklist	Page 2
Two Persons, Three Cards	Page 2
Balance Your Financial Report.....	Page 2
Workshops Scheduled for Fall	Page 2
TIPS Are Considered Compensation to the Worker.....	Page 3
Reporting the Number of Cards Sold	Page 3
Tucson Auditor Promoted	Page 3

NEW RULES ARE FINALLY APPROVED

On September 9th, the Governor's Regulatory Review Council approved the proposed changes to the bingo rules. They become effective 60 days thereafter, or on November 10, 2003. To reduce mailing costs, copies of the rules will be included with your annual renewal

application mailed in November. If you have access to the Internet, you can download the rules off the bingo website:

www.revenue.state.az.us.

Although the rules do not become official until November 10th, you may implement them immediately.

LICENSEE RENEWALS BEGIN IN NOVEMBER

Beginning November 1st, we will be mailing out the annual renewal applications for licensees whose license expires on November 30 or December 31, 2003. You should receive your renewal application by mid November, so if you don't, call us. Please complete your renewal application as soon as possible to assure immediate processing. No bingo games may be played legally after December 31st if the Bingo Section has not received your renewal license application.

If your renewal application is post-marked after December 31st, you must pay a late filing penalty in addition to your regular renewal fee. The

penalty is equal to your license fee: \$10 license fee, \$10 penalty. You will not be allowed to play bingo until your license has been renewed. However, if your renewal application is not received by January 30th, you will be required to reapply for a new bingo license.

Approval to conduct a "Special Bonus Game" also expires at the end of each licensing period. For those of you authorized to play a "Special Bonus Game", you must reapply for approval at this time. We will be including a bonus game application along with your license renewal application.

RENEWAL CHECKLIST

Here is a checklist to make your renewal easier:

1. Look at the expiration date on your license. You need to renew your license before it expires. If you don't get your renewal form within one month of the expiration date, call us.
2. Verify the dates listed for proposed occasion cancellations. Are they correct?
(*You MUST report if you close for the summer or winter months as part of your proposed occasion cancellation.*)
3. Check the names of the people listed on the license. Cross out those you want to delete. If you need to add workers, print their names on the renewal form and send in or FAX us their affidavits. Affidavits no longer have to be notarized so we can take them by FAX.
4. Class A licensees do not need to send affidavits for assistants. Affidavits for manager, proceeds coordinator, supervisor or Class B or Class C assistants **DO NOT** have to be notarized any more. The new rule changes eliminated that requirement.
5. Sign the form. Please note that the renewal form does **not** have to be notarized.
6. Please return all pages of the renewal. They are important.
7. Enclose a check to cover the licensing fee: Class A \$10; Class B \$50; Class C \$200.
8. Your approval to conduct Special Bonus Games expires at the end of each licensing year. You must reapply each year for approval to conduct Special Bonus Games.
9. Write your license number on everything that you send us.
10. **Please fill in your correct area code.** Check your area code to make sure we have the correct one. We have had trouble contacting workers because the area codes were not correct or missing altogether, since many have changed.

TWO PERSONS, THREE WINNING CARDS

We recently received an inquiry questioning an article printed in the Bingo Bugle. A person from Warren, Michigan wrote in and asked if it was right to split a prize in half if there were two players announcing bingo with one of the players having a bingo on two separate cards. Splitting the pot equally between individuals may be legal in Michigan, but NOT in Arizona. Arizona bingo laws grant a prize for a winning pattern on a card, not on a winning individual. The person with two cards having a valid bingo on each card is entitled to two-thirds of the total prize amount, not half.

BALANCE YOUR FINANCIAL REPORT TO YOUR CHECKBOOK

The last section of the financial report asks for your beginning and ending balance. Use the balance shown in your checkbook on the first and last day of the reporting period. To verify the accuracy of your report, take the beginning balance, add the gross receipts then subtract your total prize payout, total Schedule I expenses and your total Schedule II expenses. The remaining amount should be the ending balance. If not, you have a math error or you forgot to report an expenditure or you over-reported an expenditure.

Workshops Scheduled for This Fall

We are in the process of scheduling bingo workshops. Sam Martin will be focusing on "How to Comply" issues for new licensees and Class A licensees. We believe that due to the high turn-over of Class A licensee personnel, a workshop on basic compliance issues each year would benefit all new licensees and work as a refresher for other licensees. For any Class B or C licensee attending a workshop, compliance differences between the licenses will be discussed. Sam will be notifying everyone this month of the workshop dates.

TIPS ARE CONSIDERED COMPENSATION TO THE WORKER

We are still receiving complaints on workers receiving TIPS from players. Originally, workers were volunteers and could not receive any type of compensation. Eventually the law was changed to allow for payment of the current federal minimum wage plus 20%. The following rule prohibits a worker from receiving any form of compensation except as provided by law:

R15-7-233 B. Persons permitted to conduct games; compensation allowed

B. A member or new member of either the parent or auxiliary organization shall not be paid or receive a commission, salary or compensation for rendering any services related to bingo except as provided in A.R.S. § 5-407(G)(8). Discount dinners or other functions conducted specifically for bingo workers are considered compensation

A.R.S. § 5-407-G 8, states:

Expenses shall not be incurred or paid in connection with holding, operating or conducting any games of bingo pursuant to any license, except bona fide expenses of a reasonable amount. Expenses may be incurred only for the following purposes:

- 8. Compensation not to exceed current federal minimum wage plus twenty per cent.*

These laws prohibit a bingo worker from receiving any compensation except as provided by law. We also believe they help to eliminate the perception of an impropriety or collusion going on between a worker and a player, especially between friends or family members. It would be a good idea if someone announced before each occasion that tipping employees was illegal.

REPORTING THE NUMBER OF CARDS SOLD

During a recent visit with a licensee we discovered there was some confusion regarding the nightly verification record. The column identified as "NO. SOLD" refers to the actual number of cards sold. It is up to the supervisor to keep an accurate count of the number of cards sold during the occasion and report that count accurately on the nightly verification form. A cash register may not be the most accurate count of the number of cards sold. It should merely be used as a tool to aid in providing a quicker transaction.

Our Tucson Auditor is Promoted

After almost 8 years with the Bingo Section, Deborah Cluff-Hensley, our auditor in the Tucson office has been promoted to an Auditor II in Income Audit. Taking over her duties is Gloria Barnhart. Gloria comes to our "but it is a dry heat" state from El Paso along with her husband and 4 children. Please welcome her to our small family the next time you speak with her.



Gloria Barnhart, Tucson Auditor

